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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

A-580-874

Certain Steel Nails from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2014-2016

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: On August 7, 2017, the Department of Commerce (Commerce) published the preliminary results of the antidumping duty administrative review of certain steel nails (nails) from the Republic of Korea (Korea). The period of review (POR) is December 29, 2014, through June 30, 2016. As a result of our analysis of the comments and information received, these final results differ from the *Preliminary Results* with respect to Daejin Steel Co., (Daejin), but remain unchanged with respect to Korea Wire Co., Ltd. (Kowire). For the final weighted-average dumping margins, *see* the “Final Results of Review” section below.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Robert Galantucci or Trisha Tran, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482-2923 or (202) 482-4852, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 7, 2017, Commerce published the *Preliminary Results*.¹ In accordance with

¹ *See Certain Steel Nails from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative*

19 CFR 351.309(c)(1)(ii), we invited parties to comment on our *Preliminary Results*. On September 22, 2017, Mid Continent Steel & Wire, Inc. (the petitioner), Daejin and Kowire submitted their case briefs.² On September 27, 2017, the petitioner; Daejin and Kowire submitted their rebuttal briefs.³

Prior to the *Preliminary Determination*, on June 8, 2017, the petitioner alleged that a particular market situation (PMS) distorted production costs in the Korean steel nail industry.⁴ In the *Preliminary Determination*, we noted that we did not have the opportunity to consider the petitioner's PMS allegation for the purposes of the preliminary results.⁵ On October 23, 2017, we issued a post-preliminary determination regarding the petitioner's PMS allegation, and permitted parties to comment.⁶ On October 30, 2017, the petitioner submitted a case brief regarding its PMS allegation.⁷ On November 6, 2017, Daejin and Kowire submitted rebuttal briefs concerning the petitioner's PMS allegation.⁸ On September 6, 2017, Kowire requested a

Review and Partial Rescission of Antidumping Duty Administrative Review; 2014-2016, 82 FR 36749 (August 7, 2017) and accompanying Preliminary Decision Memorandum (*Preliminary Results*).

² See Petitioner's Case Brief, "Certain Steel Nails from the Republic of Korea: Case Brief," dated September 22, 2017 (Petitioner Case Brief); Daejin's Case Brief, "Administrative Review of the Antidumping Order on Certain Steel Nails from Korea — Comments on Preliminary Determination," dated September 22, 2017 (Daejin Case Brief); Kowire's Case Brief, "Steel Nails from the Republic of Korea," dated September 22, 2017 (Kowire Case Brief).

³ See Petitioner's Rebuttal Brief, "Certain Steel Nails from the Republic of Korea: Rebuttal Brief," dated September 27, 2017 (Petitioner Rebuttal Brief); Daejin's Rebuttal Brief, "Administrative Review of the Antidumping Duty Order on Certain Steel Nails from Korea – Rebuttal Brief of Daejin Steel Company," dated September 27, 2017 (Daejin Rebuttal Brief); Kowire's Rebuttal Brief, "Steel Nails from the Republic of Korea – Rebuttal Brief," dated September 27, 2017 (Kowire Rebuttal Brief).

⁴ See Letter from the petitioner, "Certain Steel Nails from Korea: Particular Market Situation Allegation," dated June 8, 2017.

⁵ See *Preliminary Determination*, at 36750.

⁶ See Memorandum, "2014-2016 Antidumping Duty Administrative Review of Certain Steel Nails from the Republic of Korea: Post-Preliminary Decision on Particular Market Situation Allegation," dated October 23, 2017.

⁷ See Petitioner's PMS Brief, "Certain Steel Nails from the Republic of Korea: Case Brief Regarding Particular Market Situation," dated October 30, 2017 (Petitioner PMS Brief).

⁸ See Daejin's PMS Rebuttal Brief, "First Administrative Review of the Antidumping Duty Order on Certain Steel Nails from Korea – Brief of Daejin Steel Company in Response to Mid Continent's PMS Allegations," dated November 6, 2017 (Daejin PMS Rebuttal Brief); Kowire's Rebuttal Brief, "Steel Nails from the Republic of Korea – Rebuttal Brief Regarding the Particular Market Situation Determination," dated November 6, 2017 (Kowire PMS Rebuttal Brief).

hearing.⁹ However, it subsequently withdrew its request for a hearing,¹⁰ and no other interested parties requested a hearing.

Scope of the Order

The merchandise covered by this order is nails having a nominal shaft length not exceeding 12 inches.¹¹ Merchandise covered by the order is currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7317.00.55.02, 7317.00.55.03, 7317.00.55.05, 7317.00.55.07, 7317.00.55.08, 7317.00.55.11, 7317.00.55.18, 7317.00.55.19, 7317.00.55.20, 7317.00.55.30, 7317.00.55.40, 7317.00.55.50, 7317.00.55.60, 7317.00.55.70, 7317.00.55.80, 7317.00.55.90, 7317.00.65.30, 7317.00.65.60 and 7317.00.75.00. Nails subject to this order also may be classified under HTSUS subheadings 7907.00.60.00, 8206.00.00.00 or other HTSUS subheadings. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive. For a complete description of the scope of the order, *see* the IDM.¹²

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this administrative review are addressed in the IDM. A list of the issues that parties raised and to which we responded is attached to this notice as an Appendix. The IDM is a public document and is on-file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty

⁹ See Letter from Kowire to Commerce, "Steel Nails from the Republic of Korea – Request for a Public Hearing," dated September 6, 2017.

¹⁰ See Letter from Kowire to Commerce, "Steel Nails from the Republic of Korea – Withdrawal of Request for Public Hearing," dated December 1, 2017.

¹¹ The shaft length of certain steel nails with flat heads or parallel shoulders under the head shall be measured from under the head or shoulder to the tip of the point. The shaft length of all other certain steel nails shall be measured overall.

¹² See Memorandum, "Issues and Decision Memorandum for Final Results of the 2014-2016 Administrative Review of the Antidumping Duty Order on Certain Steel Nails from the Republic of Korea," (IDM) dated concurrently with, and hereby adopted by this notice.

Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and in the Central Records Unit (CRU), room B8024 of the main Department of Commerce building. In addition, a complete version of the IDM can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. The signed IDM and the electronic versions of the IDM are identical in content.

Changes Since the Preliminary Results

Based on a review of the record and comments received from interested parties regarding our *Preliminary Results*, we have recalculated Daejin's weighted-average dumping margin.¹³ The dumping margin for Kowire remains 0.00 percent, as it was in the *Preliminary Results*.¹⁴

Final Results of the Review

As a result of this administrative review, Commerce calculated a weighted-average dumping margin that is above *de minimis* for Daejin and a dumping margin of 0.00 percent for Kowire for the period December 29, 2014, through June 30, 2016, as referenced below. Additionally, Je-il Wire Production Co., Ltd. (Je-il) remains subject to this review because neither it nor the petitioner withdrew a request for its review; however, it was not selected as a mandatory respondent in this review.¹⁵ In accordance with our practice,¹⁶ and consistent with the *Preliminary Results*, we have assigned to Je-il Daejin's calculated rate, *i.e.*, the only rate

¹³ See IDM; see also Memorandum, "Analysis Memorandum for the Preliminary Determination of the Antidumping Duty Administrative Review of Certain Steel Nails from the Republic of Korea: Daejin Steel Company," dated concurrently with this notice.

¹⁴ Although in the *Preliminary Results*, we calculated a dumping margin of 0.00 percent for Kowire, we inadvertently listed a dumping margin of 0.16 percent for the company in the *Federal Register* notice. This error is corrected for purposes of these final results. For further details, see the "Final Results of the Review" section of this notice; see also IDM at Comment 9; Memorandum, "Certain Nails from the Republic of Korea: Calculation Memorandum for the Final Results of the 2014-2016 Administrative Review – Korea Wire Co., Ltd.," dated concurrently with this notice.

¹⁵ See *Preliminary Results*.

¹⁶ See, e.g., *Welded Carbon Steel Standard Pipe and Tube Products from Turkey: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2015-2016*, 82 FR 49179 (October 24, 2017).

calculated for a mandatory respondent that is not zero, *de minimis*, or determined entirely on the basis of facts available.

| Producer and/or Exporter | Weighted-Average Dumping Margin (percent) |
|---------------------------------|--|
| Daejin Steel Co., Ltd. | 2.76 |
| Korea Wire Co., Ltd. | 0.00 |
| Je-il Wire Production Co., Ltd | 2.76 |

Duty Assessment

Commerce shall determine and Customs and Border Protection (CBP) shall assess antidumping duties on all appropriate entries.¹⁷ For any individually examined respondent whose weighted-average dumping margin is above *de minimis*, we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1). Upon issuance of the final results of this administrative review, if any importer-specific assessment rates calculated in the final results are above *de minimis* (i.e., at or above 0.5 percent), Commerce will issue instructions directly to CBP to assess antidumping duties on appropriate entries. Where either the respondent's weighted-average dumping margin is zero or *de minimis*, or an importer-specific assessment rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

In accordance with Commerce's "automatic assessment" practice, for entries of subject merchandise during the POR produced by each respondent for which it did not know that its

¹⁷ In these final results, Commerce applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings; Final Modification*, 77 FR 8101 (February 14, 2012).

merchandise was destined for the United States, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.

We intend to issue assessment instructions directly to CBP 15 days after publication of the final results of this review.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the notice of final results of administrative review for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication of the final results of this administrative review, as provided by section 751(a)(2) of the Act: (1) the cash deposit rate for respondents noted above will be the rate established in the final results of this administrative review; (2) for merchandise exported by manufacturers or exporters not covered in this administrative review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company specific rate published for the most recently completed segment of this proceeding; (3) if the exporter is not a firm covered in this review, a prior review, or the original investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the manufacturer of the subject merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 11.80 percent, the all-others rate established in the antidumping investigation.¹⁸ These cash deposit requirements, when imposed, shall remain in effect until further notice.

¹⁸ See *Certain Steel Nails from the Republic of Korea: Final Determination of Sales at Less Than Fair Value*, 80 FR 28955 (May 20, 2015).

Notification to Importers Regarding the Reimbursement of Duties

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during the POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping and/or countervailing duties occurred and the subsequent assessment of doubled antidumping duties.

Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return/destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(5).

Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

Dated: January 19, 2018

Appendix

List of Topics Discussed in the Final IDM

- I. Summary
- II. List of Issues
- III. Background
- IV. Scope of the Order
- V. Discussion of the Issues

General Issue:

Comment 1: Particular Market Situation

Daejin-Specific Issues

Comment 2: Scrap Offset
Comment 3: Cost Variations Not Due to Differences in Physical Characteristics
Comment 4: SG&A Expenses
Comment 5: Quarterly Costs
Comment 6: Differential Pricing

Kowire-Specific Issues

Comment 7: Affiliation with Subcontractor
Comment 8: SG&A Expense Ratio
Comment 9: Cash Deposit Instructions

VI. Recommendation

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